







Metropolitan **Planning** Council

June 27, 2019

The Honorable Lori Lightfoot City Hall 121 N. LaSalle Street Chicago, Illinois 60602

Dear Mayor Lightfoot,

Congratulations on your recent inauguration as mayor of Chicago! We are excited to work with you on making Chicago's transportation system deliver better economic and social mobility for its residents, while also reducing congestion and harmful pollution caused by vehicles in the city.

As you consider ways to generate revenue to improve public transit, create a more equitable transportation system, and reduce greenhouse gas emissions and other pollution, we encourage you to (1) consider and eventually implement congestion pricing with clear performance metrics (i.e., revenue and congestion reduction targets); (2) structure the city's ridehail tax in a more equitable way that also encourages people to use shared modes of transportation instead of single passenger private rides; and (3) dedicate revenue to improving sustainable forms of transportation, including biking, walking, and public transit through capital investments, equitable development in transit station areas, and embracing innovations such as microtransit to extend the reach of the transit network.

First, we support congestion pricing, especially in areas with a high density of transit options and bad congestion, such as the central business district and certain expressways, with the goal of reducing road use, congestion, and pollution. A congestion pricing program should account for the impact of all types of vehicles on Chicago's streets, whether privately owned cars, taxis, ridehail vehicles, or commercial vehicles. All take up space on the streets and contribute to pollution. We also believe it is important that it be done on a dynamic, variable fee basis that would account for the number of passengers in the vehicle, the time of day, the type of vehicle, location, and passengers' ability to pay. For example, single passenger trips that start and finish in transit-rich areas during rush hour should come with a high fee, while shared trips to and from transit deserts and low-income areas should be exempt or have a much lower fee.

Comprehensive congestion pricing is a far better approach than a blunt cap on certain types of vehicles, which could limit mobility for those who need it most and encourage people to continue driving their own cars. We encourage you to instruct your administration to expeditiously study how congestion pricing with variable fees could work equitably in Chicago or to appoint an expert committee to do so.

Second, while we realize that implementing congestion pricing and a variable fee system may take time to study and work through the legislative process, there are immediate, simple steps you can take to move us in the right direction. As you review fees on rides provided by ridehail companies (i.e., Transportation Network Providers or TNPs), it is critical to distinguish between multi-passenger pooled trips and single passenger rides as other jurisdictions have recently done. Chicago currently has a 72-cent flat, fixed charge per ride booking which does not fully support the goals of equity or of reducing congestion and greenhouse gas emissions. The 72-cent fee represents a much higher percentage tax on pooled rides (typically two to three times as much) than on private rides of the same length. This disproportionately impacts low- and middle-income Chicagoans who want to access these mobility options by choosing the most affordable option. In addition, compared to people driving alone in their cars or single-passenger private rides, pooled rides help reduce pollution, greenhouse gas emissions, and traffic. Finally, the flat, fixed charge represents a very small percentage tax on long, expensive single-passenger ridehail rides, which are the trips that cause the most vehicle emissions and impact on road infrastructure.

Other states and cities recently imposing new fees have recognized the important differences between single-passenger or private rides and pooled rides. For example, San Francisco's Board of Supervisors recently advanced a 3.25% tax for single-passenger trips, while only a 1.5% tax on shared rides. Massachusetts and New York have also imposed much higher fees in certain contexts for single-passenger ridehail trips than for pooled rides. And a recent expert task force in Chicago recommended reforming tax policy to incentivize "multi-passenger rides." We urge you to substantially differentiate pooled rides and to apply the tax on a percentage basis.

Finally, we believe that any revenue ultimately generated by congestion pricing and that is currently collected from the ridehail tax should go towards improving sustainable forms of transportation, including biking, walking, and public transit through capital and operational investments and embracing new innovations to extend the reach of the transit network such as microtransit. This could be done both through operations and capital investments and embracing new innovations that other states, public transit agencies, and cities have deployed to solve transit "deserts," provide better connections to existing transit, and create new options for people with disabilities, older adults, those with limited income, and other vulnerable populations.

These principles are consistent with the widespread consensus of environmental advocates, academics, transportation experts, and the more than 200 entities that have signed the Shared Mobility Principles. These policies are also important to creating a more equitable transportation system for all Chicagoans, one that will better connect every person regardless of income level or neighborhood to jobs, education, healthcare, grocery stores, and social activities.

Our environment is also at stake. Transportation is now the #1 cause of emissions in our nation, as well as in Illinois where more than half of carbon emissions from transportation come from the Chicago area. As last year's definitive report on global warming by the Intergovernmental Panel on Climate Change (IPCC) found, there is simply no way we can sufficiently reduce the climate impact of transportation through changes only to how vehicles are fueled; it is imperative that many more trips take place by modes other than cars, and that trips that happen in vehicles be increasingly shared.

We hold great hope that under your administration, Chicago can be a national leader in delivering equitable public transit and managing a transportation system that delivers economic and social mobility while reducing the threat of climate change and the damaging effects of air pollution. We would welcome the opportunity to discuss these issues in more detail.

Sincerely,

Joseph Schwieterman, Ph.D.
Professor and Director

Chaddick Institute for Metropolitan Development

DePaul University

Kyle Whitehead

Managing Director of Public Affairs

Active Transportation Alliance

Samuel Kling, PhD

ACLS/Mellon Public Fellow, Global Cities

Chicago Council on Global Affairs

Elizabeth Irvin

Transportation Director

Center for Neighborhood Technology

Sharon Feigon

Executive Director

Shared-Use Mobility Center

Audrey Wennink

Director of Transportation

Metropolitan Planning Council

Kate Lowe, PhD

Assistant Professor

Department of Urban Planning and Policy

The University of Illinois at Chicago

Andrei Greenawalt

Head of Public Policy

Via

cc: Alderman Pat Dowell

Chairman, Committee on Budget and Government Operations

Alderman Debra Silverstein Vice Chair, Committee on Budget and Government Operations

Alderman George Cardenas Chairman, Committee on Environmental Protection and Energy

Alderman Samantha Nugent Vice Chair, Committee on Environmental Protection and Energy

Alderman Scott Waguespack Chairman, Committee on Finance

Alderman Leslie Hairston Vice Chair, Committee on Finance

Alderman Howard Brookins Chairman, Committee on Transportation and Public Way

Alderman Michael Rodriquez Vice Chair, Committee on Transportation and Public Way